

Message Text

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C O N F I D E N T I A L ANTWERP 0053

E.O. 11652: GDS

TAGS: BBAK EGEN BE

SUBJECT: MANAGER OF BELGIAN ITT SUBSIDIARY LOSES APPEAL;

CONVICTION FOR CORRUPTION OF PUBLIC OFFICIAL STANDS

1. ON JANUARY 21, A BELGIAN COURT OF APPEALS (HOF VAN BEROEP) CONFIRMED A \$375 FINE AND A SIX MONTH SUSPENDED JAIL SENTENCE FOR FRANK PEPERMANS, THE TOP MANAGER OF BELL TELEPHONE. BELL TELEPHONE, AN OLD AND LARGE ITT MANUFACTURING SUBSIDIARY IN BELGIUM FOR ELECTRONIC EQUIPMENT, EXPORTS THROUGHOUT THE WORLD.

2. PEPERMANS WAS FIRST CONVICTED OF "CORRUPTION OF A PUBLIC OFFICIAL" I.E., FORMER BELGIAN NATIONAL TELEPHONE AND TELEGRAPH (RTT) DIRECTOR BAUDIN, IN A CORRECTIONAL COURT (KOREKTIONALE RECHTBANK) ON JUNE 27, 1975. HE WILL NOW UNDOUBTEDLY FURTHER APPEAL TO THE BELGIAN SUPREME COURT (HOF VAN KASSATIE) AND, IF NECESSARY, TO THE EUROPEAN HUMAN RIGHTS COURT IN STRASBOURG.

3. IN SEVERAL CONFIDENTIAL CONVERSATIONS LAST YEAR WITH CONSULATE OFFICERS, PEPERMANS READLY ADMITTED TO HAVING GIVEN GIFTS TO BAUDIN AND/OR HIS FAMILY BUT DISMISSED THE GIFTS AS GESTURES WHICH WERE UNIMPORTANT IN BOTH AMOUNT AND INTENT. HE LABELED THEM AS NORMAL BUSINESS PRACTICES AND AS MINOR PUBLIC RELATIONS GESTURES RATHER THAN AS BRIBES.

4. BACKGROUND ON PEPERMANS--PEPERMANS, 55, IS A DYNAMIC, POPULAR AND WIDELY RESPECTED FLEMISH BUSINESSMAN WITH GOOD CONTACTS IN
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PALACE, POLITICAL AND ECONOMIC CIRCLES IN BELGIUM. AFTER TWENTY

YEARS OF RISING THROUGH THE RANKS OF THE FORD MOTOR COMPANY, HE MOVED TO BELL IN 1963 WHERE HE THEN SUCCESSFULLY CARRIED OUT A MAJOR REORGANIZATION AND EXPANSION. BELL NOW EMPLOYS ABOUT 14,000 BELGIANS AND IS THE COUNTRY'S MAJOR HIGH TECHNOLOGY EXPORTER. END OF BACKGROUND.

5. IT IS WIDELY ACCEPTED IN ANTWERP THAT THE COURTS POSSESS A LIST OF TWENTY-TWO ADDITIONAL RECIPIENTS OF BELL/PEPERMANS GIFTS. ALLEGEDLY, POLITICAL PARTIES AND MAJOR LABOR UNIONS ARE REPRESENTED ON THE LIST. ADDITIONALLY, A LIST OF FOREIGN RECIPIENTS OF BELL'S LARGESSE IS ALSO REPORTED TO EXIST.
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